SIGNATURE SELLING METHOD

SALES AIDS

SMB-Website Management

Purpose

To introduce the IBM Business Partners with the Sales Aids for the IBM Signature Selling Method for Website Management.

IBM High Performance Selling

... become the premier marketing and sales company in our industry

High Performance Selling Objectives:

- Move from mind share to much more market share
- Generate more revenue from existing customers
- Create new customers and new workloads
- Leverage key components: hiring, incentive plans, professional training, SSM...

Signature Selling Method Objective:

- Create customer value at every stage in the buying process
- Create and leverage the synergy of Team IBM
- Improve the speed, quality, and volume of our opportunity pipeline

What it means to IBM sellers:

- shorter sell cycles
- improved win rates
- more and larger-sized opportunities
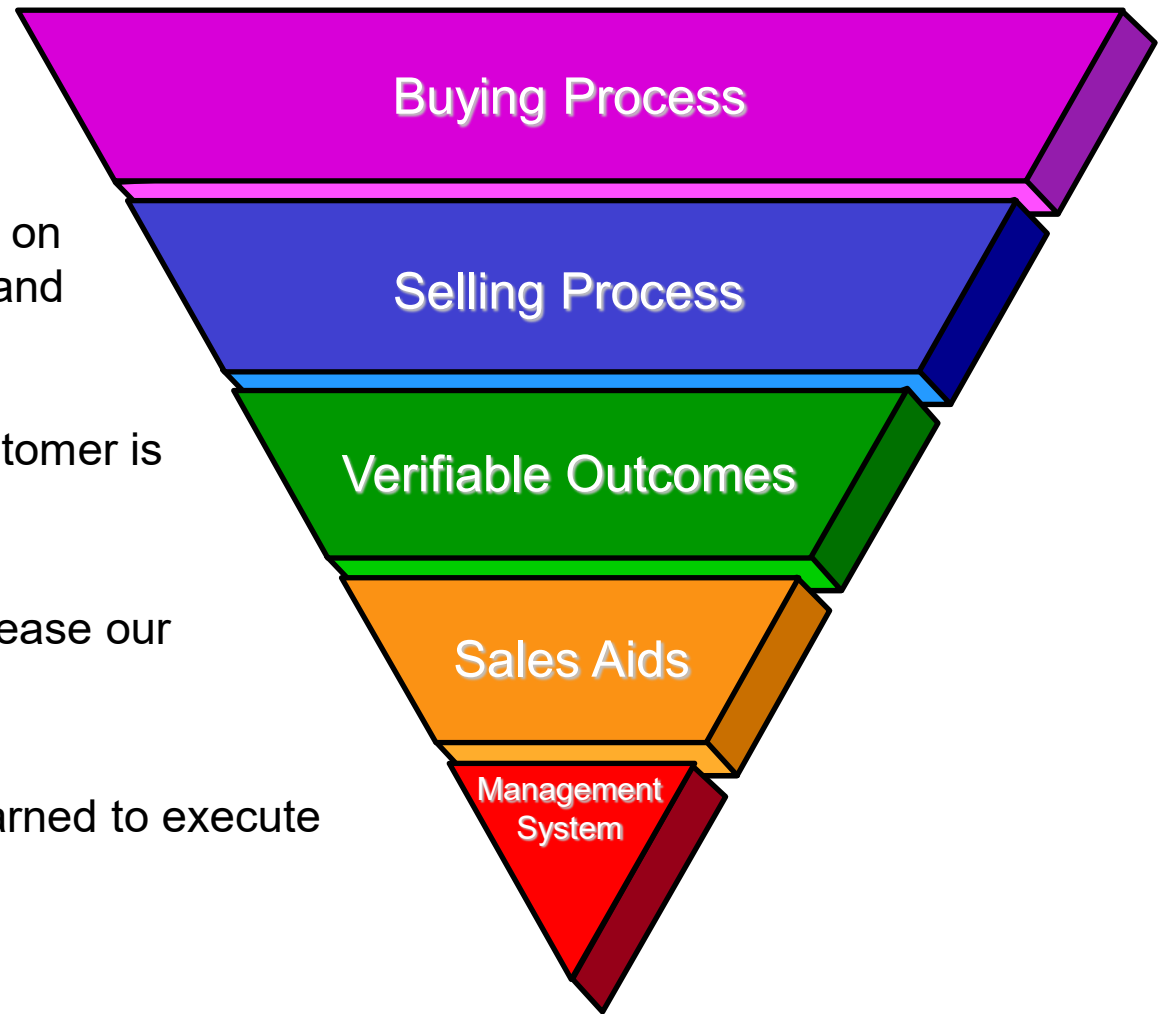
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The IBM Signature Selling Method
Design Principles

- Customer focused

- Leverages IBM e-business strategy

- Tightly integrated with sales management

- Drives a disciplined, common approach to selling, for both complex and transactional sales
    - common language
    - common outcome and sell cycles
    - common IBM sales culture
    - linked to other IBM processes (e.g. CRM)

- Defined, measurable, predictable, repeatable and "user friendly"

- Rich, help-oriented sales aids

- Universal and scalable

The IBM Signature Selling Method
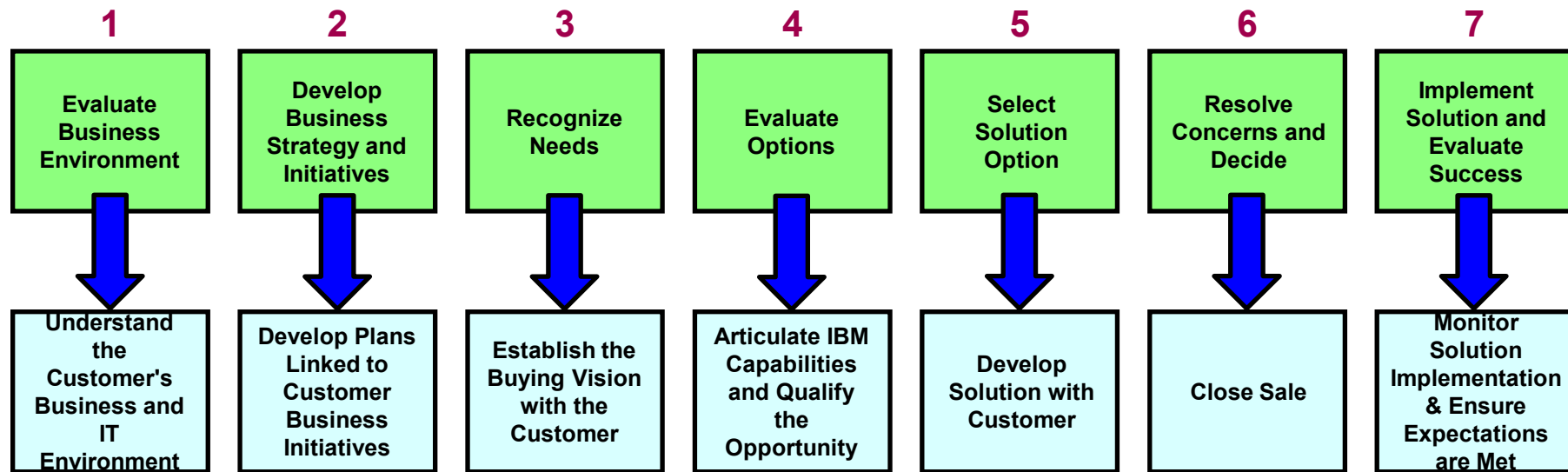## Taking a Closer Look at What SSM Really is...

- How do customers tend to buy?

- How can we focus our activities on the right deal, the right people, and the right issues?

- How will we know when the customer is ready to move forward with us?

- How can we sell faster and increase our value to the customer?

- How can we use what we've learned to execute more effectively next time?

Buying Process

Selling Process

Verifiable Outcomes

Sales Aids

Management System

IBM Signature Selling Method (SSM)
A Buyer Focused Process

CUSTOMER BUYING STEPS

1	2	3	4	5	6	7
Evaluate Business Environment	Develop Business Strategy and Initiatives	Recognize Needs	Evaluate Options	Select Solution Option	Resolve Concerns and Decide	Implement Solution and Evaluate Success
Understand the Customer's Business and IT Environment	Develop Plans Linked to Customer Business Initiatives	Establish the Buying Vision with the Customer	Articulate IBM Capabilities and Qualify the Opportunity	Develop Solution with Customer	Close Sale	Monitor Solution Implementation & Ensure Expectations are Met

S I G N A T U R E   S E L L I N G   M E T H O D   (S S M)   S T E P S

IBM SSM: *Sales Aids to help achieve verifiable outcomes*

CUSTOMER BUYING STEPS

Evaluate Business Environment	Develop Business Strategy and Initiatives	Recognize Needs	Evaluate Options	Select Solution Option	Resolve Concerns and Decide	Implement Solution and Evaluate Success

SIGNATURE SELLING METHOD (SSM) STEPS

Understand the Customer's Business and IT Environment	Develop Plans Linked to Customer Business Initiatives	Establish the Buying Vision with the Customer	Articulate IBM Capabilities and Qualify the Opportunity	Develop Solution with Customer	Close Sale	Monitor Solution Implementation & Ensure Expectations are Met

SELL CYCLE CODES

Identify	Validate	Qualify	Propose	Won

SSM SALES AIDS

▪Business Initiatives	▪Pain Chain ▪Key Players List ▪Business Development Prompter ▪Reference Story ▪Value Statement	▪Pain Sheet ▪Sponsor Letter	▪Pain Sheet ▪Power Sponsor Letter ▪Evaluation Plan	▪Integrated Solution Concept ▪Refined Value Statement ▪Preliminary Solution ▪Value Proposition	▪Pain Chain ▪Value Proposition	▪Measure Benefits

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Sales Aids

Business Initiatives

Key Player List

Pain Chain

Business Development Script

Reference Story

Value Statement

Pain Sheet

Sponsor Letter

Power Sponsor Letter

Evaluation Plan

ISC - Preliminary Solution

Refined Value Statement

Value Proposition

Measurement Criteria

Sales Aid Description

Business Initiatives

Overview:

A Business Initiative represents an organization's commitment to accomplish a certain objective by following certain activities. Business Initiatives provide a structured and consistent way to identify and communicate the most important business activities and outcomes an organization is trying to achieve. Business Initiatives are categorized as revenue or cost focused.

Where/How used:

The information contained in a client's Business Initiatives provides a critical foundation for IBM selling activities in the account over the next 12-18 months as the Business Initiative represents the key business priorities. The best way to ensure a thorough understanding of Business Initiatives is to gather information from multiple sources within the organization and validate the summarized Business Initiatives with key executives.

What you should achieve:

Knowing the client's business initiatives, the seller can sell consultatively and successfully by aligning and concentrating his/her sales efforts to assist the client in accomplishing these most important objectives.

Business Initiatives - Private Company - SMB

Business Initiatives....REVENUE:

- Increase revenue from existing customer base by exploring better ways to analyze customer data
- Grow your market reach by entering new and high opportunity markets
- Enhance customer relationships by introducing innovative customer care and support
- Turn Internet shoppers into buyers by enhancing customer buying experience
- Increase operational availability by investigating various, new sales channels
- Improve product availability by obtaining timely, relevant customer data

Business Initiatives....COST:

- Increase efficiency of customer service operations by enhancing support tools
- Reduce cost of payables by exploring electronic methods
- Reduce days of outstanding receivables by implementing new methods of payments
- Increasing inventory turns by removing the appropriate, slow-moving, low-margin items
- Improve cost of inventory by getting more timely, relevant customer data
- Increase utilization of scarce resources by effectively managing the computing infrastructure

Sales Aid Description
Key Player List

Overview:

The Key Player List (KPL) is a listing by industry of important job titles along with the likely critical business issues (pains) which that job title (key player) faces.

Where/How used:

The KPL is typically used in step 2 of SSM, "Develop plans linked to Customer Business Initiatives." If the Business Initiatives are known, the seller has an opportunity to identify the underlying critical business issues (pains) which have driven the client to commit to a particular Business Initiative.

The KPL helps identify issues to probe when calling on a particular   person/job title. This is especially helpful when calling on a job title or within an industry where the seller is inexperienced. The KPL provides pre-call planning assistance by identifying key players as well as issues which would likely be of interest to them.

What you should achieve:

By using the KPL, a seller should be able to more quickly identify key players and their potential pains ... it will help the seller appear to be more knowledgeable/experienced in that industry.

Key Player List - Private Company - SMB

Key Player	Pains
President / Owner	- Poor company image - Eroding market share - Not meeting investors expectations - Declining profitability - Decreasing shareholders value / EPS - Inability to raise capitol - Inability to find quality employees
Operations Manager	- Increasing operating cost and expenses - Inconsistent quality - Cost of goods rising - Can't meet current customer demands - Inability to consistently reach productivity goals
Comptroller	- Eroding operating profits - Lack of timely and accurate reporting - Cash flow problems - Declining ROI and ROA - Declining margins - Increasing receivables
Director of Sales	- Decreasing revenue - Increasing selling expenses - Not meeting growth goals - Inability to accurately forecast revenue

Key Player List - Private Company - SMB

Key Player

Pain

Director of Marketing

- Eroding market share
- Cannot drive high quality leads
- Inability to gain market visibility

Director of Manufacturing

- Not meeting manufacturing and shipment schedules
- Excessive inventory levels
- Increasing cost of developing new products
- Lack of capital for equipment
- Inability to meet cost targets

MIS Director

- Inability to meet users' demands
- Inability to deliver long range strategies
- Trouble keeping up with overwhelming technology
- Poor department image
- Inability to optimize Web applications to meet performance requirements

Director of Engineering

- Budgetary constraints
- Increasing time to market
- Escalating design costs
- Inability to develop a new product plan

Office Manager

- Inability to reduce administrative costs
- Inability to hire and maintain qualified staff
- Government reports are late and / or inaccurate
- Poor perception of the business plan
- Uncontrollable legal costs

Key Player List - Private Company - SMB

Key Player

Pain

Director of Distribution

- Rising costs of distribution and transportation
- Declining customer satisfaction
- Missing delivery schedules
- Decreasing inventory turns
- Difficulties in managing change

Customer Service Manager

- Decrease in customer satisfaction
- Inability to fulfill customer demands
- Declining customer loyalty
- Declining CSR morale / turnover
- Inability to hire skilled labor
- Increasing response time
- Integrating various systems for complete customer, product
                        and network information
- Managing down-sizing trends

Sales Aid Description
Pain Chain

Overview:

The Pain Chain is a graphical depiction of the cause and effect relationship of Critical Business Issues (pains) inside an organization. It includes job title, pain, and the reasons for that pain. The graphic shows a pain as being both a pain and a reason for someone else's pain. The concept of organizational interdependency becomes evident.
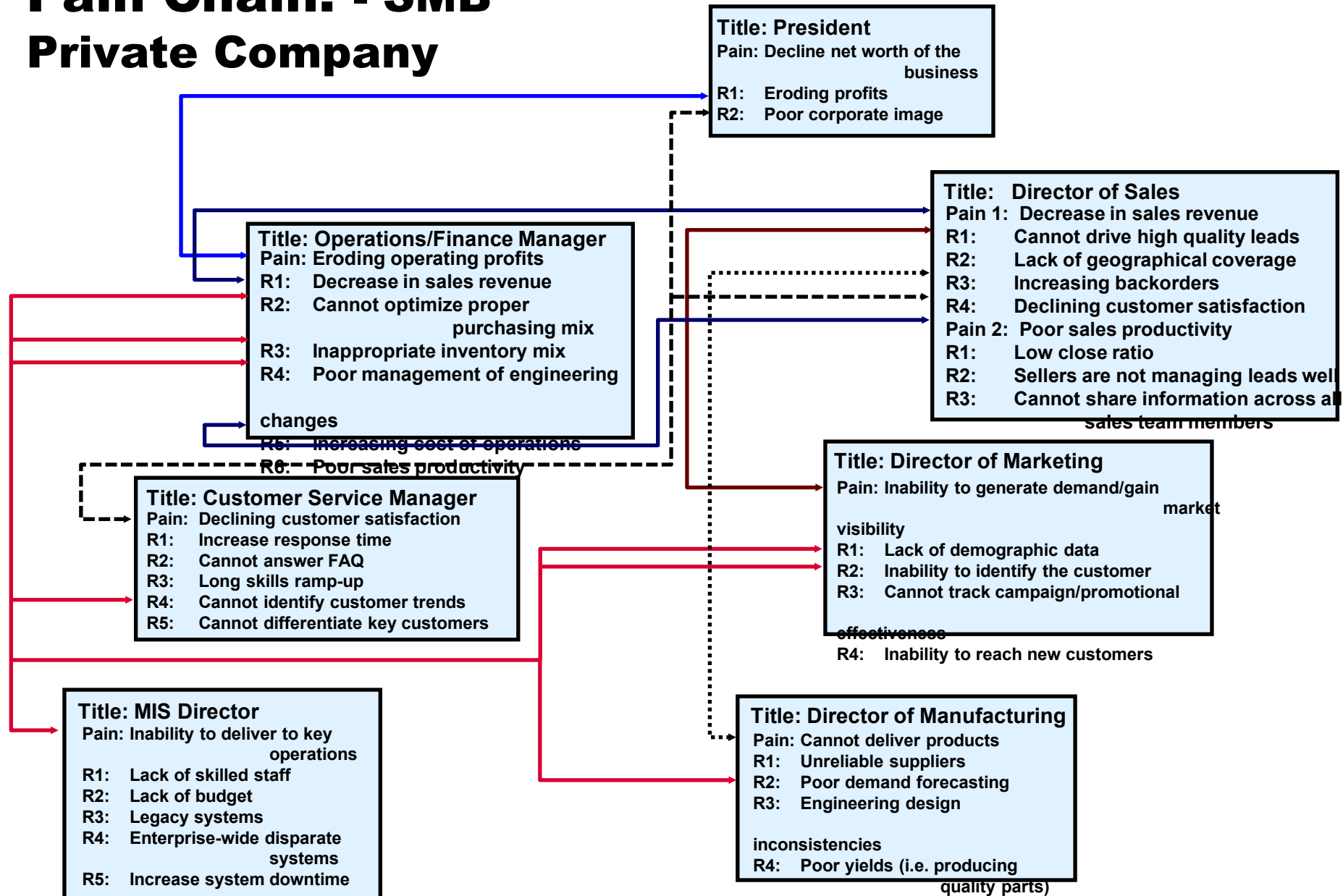
Where/How Used:

This sales aid can be employed in multiple ways and in multiple steps. In step 2, "Develop Plans Linked to Customer Business Initiatives," it can be used as a pre-call planning tool to understand potential interdependencies in an account.

In step 5, "Develop Solution with the Customer." After interviewing key players, it is used when building a business case to identify sources of   benefits across the organization. The Pain Chain becomes an organizational impact chart when used to explain the benefits ... it can then be viewed as a "Gain Chain."

What you should achieve:

A completed Pain Chain demonstrates to the client an unusually insightful understanding of the client's business. In addition, as the seller's understanding of the client's overall situation is expanded so is the corresponding opportunity to build a broad base of support and justification for implementation of the solution.

Pain Chain: - SMB
Private Company

Title: President
Pain: Decline net worth of the
                                   business
R1:   Eroding profits
R2:   Poor corporate image

Title: Director of Sales
Pain 1: Decrease in sales revenue
R1:   Cannot drive high quality leads
R2:   Lack of geographical coverage
R3:   Increasing backorders
R4:   Declining customer satisfaction
Pain 2: Poor sales productivity
R1:   Low close ratio
R2:   Sellers are not managing leads well
R3:   Cannot share information across all
                         sales team members

Title: Operations/Finance Manager
Pain: Eroding operating profits
R1:   Decrease in sales revenue
R2:   Cannot optimize proper
                    purchasing mix
R3:   Inappropriate inventory mix
R4:   Poor management of engineering

changes
R5:   Increasing cost of operations
R6:   Poor sales productivity

Title: Director of Marketing
Pain: Inability to generate demand/gain
                                market
visibility
R1:   Lack of demographic data
R2:   Inability to identify the customer
R3:   Cannot track campaign/promotional

effectiveness
R4:   Inability to reach new customers

Title: Customer Service Manager
Pain: Declining customer satisfaction
R1:   Increase response time
R2:   Cannot answer FAQ
R3:   Long skills ramp-up
R4:   Cannot identify customer trends
R5:   Cannot differentiate key customers

Title: MIS Director
Pain: Inability to deliver to key
                    operations
R1:   Lack of skilled staff
R2:   Lack of budget
R3:   Legacy systems
R4:   Enterprise-wide disparate
                  systems
R5:   Increase system downtime

Title: Director of Manufacturing
Pain: Cannot deliver products
R1:   Unreliable suppliers
R2:   Poor demand forecasting
R3:   Engineering design

inconsistencies
R4:   Poor yields (i.e. producing
                  quality parts)

Sales Aid Description
Business Development Script

Overview:

The Business Development Prompter is a short prompter designed to stimulate a prospect's interest by describing how the IBM Business Partner can help the customer address critical business issues.

Where/How used:

The Business Development Prompter is created and used primarily in Step 2 of SSM, "Develop plans linked to Customer Business Initiatives."

This aid should be developed and practiced as a "prompter", not as a word-for-word script. It can be used face-to-face or over the telephone. It should be written for a specific job title and pain.

What you should achieve:

By using the Business Development Prompter, a seller should be able to generate interest in working with the IBM Business Partner and to create sufficient curiosity in the prospect to warrant additional conversations with the seller.

Business Development Prompter - Website Management

This is <u>Maria Sanchez</u> with IBM. You and I have not spoken before but we have been working with the <u>manufacturing industry</u> for the last <u>15</u> years. One of the chief concerns we are hearing lately from other <u>Operations/Finance Managers</u> is their frustration with the <u>high cost of maintaining their e-business infrastructure.</u> We have been able to help our customers address this issue in fact, <u>one customer improved resource utilization and as a result increased profitability by 5%.</u> Would you be interested in how we helped them?

Business Development Prompter - Website Management

This is <u>Maria Sanchez</u> with IBM. You and I have not spoken before but we have been working with the <u>manufacturing industry</u> for the last <u>15</u> years. One of the chief concerns we are hearing lately from other <u>MIS Directors</u> is their frustration with the <u>high cost of 24x7 systems availability.</u> We have been able to help our customers address this issue in fact, <u>one customer decreased systems downtime and as a result, increased profitability by 5%.</u> Would you be interested in how we helped them?

Sales Aid Description

Reference Story

Overview:

This sales aid provides a seller with a dialogue prompter to help build credibility to help a client begin discussing their critical issues (pain). It gives the seller an opportunity to share situationally specific examples of how the prospect's peers have been helped by implementing capabilities provided by IBM. It also helps in the seller.

Where/How Used:

It is used as a prompter ... not a script. This sales aid is typically part of   Step 2, "Develop Plans Linked to Customer Business Initiatives." but can be used effective in other steps to assist in building credibility or getting pain admitted.

What you should achieve:

When used successfully, the prospect will either admit pain, or the seller   will discover that the prospect already has a vision of a solution. The conversation could then continue further by vision processing (creation or reengineering)

Reference Story - Website Management

Situation: •MIS Director - Private Company, SMB

Critical issue: Unable to optimize web applications that meet performance req.

Reasons: Inability to manage the increasing cost of meeting customer (internal and external) requiremnts for e-business. Global personnel, partners, suppliers, and end users require high application response times and 24 x 7 x 365 availability.

Capabilities needed: He told us he needed a way to ensure the currency and availability of his data 24 hours a day 7 days a week. In addition, he needed a way to monitor the performance of the applications using this data so he could be more effective in managing the resources delivering these services. The resources included HW, SW, department employees and purhcased services.

We provided: hi with these capabilities.

Result: Within the first year, data availability was increased to 98%. Systems and web application availability were increased to 92% and the cost of running e-business applications was reduced by 5%.

Sales Aid Description
Value Statement

Overview:

A statement which projects the potential quantified benefit (value) a client could realize through the implementation of a specific capability or   solution provided by IBM. It is intended to create curiosity and serve as the catalyst to start a sales cycle.

Where/How used:

The projected quantified benefits are extrapolated from a previous successful IBM implementation or engagement and mapped to the prospective client.

The primary use is to stimulate interest in what IBM may have to offer. If   interest is generated, the Value Statement will be refined during the sell cycle and will eventually evolve to become the Value Proposition.

What you should achieve:

The Value Statement should stimulate interest with the client (or prospect) and commence a sell cycle for IBM.

Value Statement - Website Management

"We believe Private Company should be able to increase data availability to 92% and system response time by 10% as a result of implementing an IBM Website Management solution. Additionally, we believe Private Company will be able to effectively utilize resources, thereby reducing the cost of delivering e-business applications by 30%"

Assumptions

9 Block Vision Processing Model
Vision Creation

PAIN $

	Diagnose Reasons	Explore Impact	Visualize Capabilities
Open	**R1** (1) "Tell me about it, what is causing you to have this… (repeat pain)?"	**I1** (4) "Besides yourself, who in your organization is impacted by this (repeat pain) and how are they impacted?"	**C1** (7) "What is it going to take for YOU to be able to solve this (repeat pain)?" "Could I try a few ideas on you?"
Control	**R2** (2) "Is it because…?" **# % $**	**I2** (5) "Is this (pain) causing…?" If so, wouldn't (title) also be concerned?" **# % $**	**C2** (8) "What if there were a way for you to… would that help?" "What if you were also able to…?"
Confirm	**R3** (3) "So, the reasons for your (repeat pain) are…?"	**I3** (6) "From what I just heard… (repeat the who and how), it sounds like this is not just your problem, but a _____ problem!"	**C3** (9) "From what I just heard, if you had the ability to … (summarize capability vision) could you solve your (repeat pain)?"

BUYING VISION
(Explore Value)

Sales Aid Description
Pain Sheet

Overview:

A Pain Sheet is a prompter used with the 9 Block Diagnostic Model. It provides a set of questions to help diagnose a business issue (pain), identify the impacts of that pain in the rest of the organization, and describe the capabilities IBM could provide to address the pain. It is an integral aid to creating (or reengineering) visions biased to IBM offerings/solutions.

Where/How used:

It is used with the 9 Block Diagnostic Model for creating (or reengineering) visions of solutions (during step 3 and step 4 of SSM) biased toward IBM offerings/solutions.

What you should achieve:

The use of the Pain Sheet with the 9 Block Diagnostic Model will help bring the buyer to a vision of how he/she will be able to address their critical business issue (pain) as well as quantifying the value to them and understanding the impact their pain has across the organization.

Pain:	Unable to optimize web applications that meet
performance req.	
•Situation:	MIS Director - Private Company, SMB
Solution:	Website Management

Reasons · Capabilities · Impact

Is it because...; Today...?	*Is this [Pain] causing...*	*What if...; Would it help if...?*
1. When you measure performance of web applications, you are only able to measure the load and utilization of hardware components? *Are your users complaining that they don't have a good indication of the end user's response time for web applications?*	•**Deteriorating MIS Image?** •**Decrease in productivity for users of intranet applications?** •**Decreased customer satisfaction for internet applications?** *Is the Director of Sales impacted?*	**1.** *When:* Measuring Web performance *Who:* Your Systems Administrators *What:* Can measure the actual response time to the end user
2. The tools you use today provide only basic performance data and you need multiple tools that aren't compatible to get true application perfomance information? *How much duplicate data is caused by this lack of interoperability? How valid is this data? Have important decisions ever been made based on invalid data? What was the impact of those decisions in either lost revenue or cost-to-business terms?*	•**Increased IT cost?** *Is the Operations/ Finance Manager affected?* •**Decrease in customer satisfaction (internal) ?** *Is the VP of Marketing impacted?*	**2.** *When:* Measuring Web performance *Who:* Your Systems Administrators *What:* Can measure multiple performance metrics with a single application.
3. Your company has commited to provide a quality on-line experience but you have no way of monitoring customer activity in real time? *Are you able to define specific areas of performance and measure them? Will you know if one of the performance thresholds is exceeded? When?*	•**Decrease in end user satisfaction?** •**Poor corporate image?** *Is the President concerned?* •	**3.** *When:* Monitoring customer experience *Who:* Your Systems Administrators *What:* Can set performance thresholds and be alerted automatically when these thresholds have been exceeded

Pain Sheet – Sponsor

Pain:	Unable to meet customer requriements for data availability
•Situation:	MIS Director - Private Company, SMB
Solution:	Website Management

Reasons		**Impact**
Capabilities		
Is it because...; Today...?	*Is this [Pain] causing...*	*What if...; Would it help if...?*

1. **Each web server has a different data recovery procedure?** *What types of platforms are there?   Which ones require human intervention to recover? How much does this cost? How fast is your organization growing? How fast is your business growing?*

Pain Sheet - Sponsor

2. **Your company is unprepared to withstand a regulatory records retention or disaster recovery audit?**

3. **Your current infrastructure requires multiple resources/skills sets to handle the different platforms?** *How many platforms do you have? What is the cost of these resources/people?*

•**Risk of loss of mission critical business data?**

Are LOBs, end users impacted?

•**Increased data management cost?**

Is the Operations Manager concerned?

•**Risk of loss of e-business data?**
•**Risk of loss of customer data?**
Is VP Sales /VP Marketing impacted?

• **Market capitalization exposed?**
Is the CFO concerned?

• **Risk to public image?**
Is the CEO concerned?

1.
When: recovering from a failure or a disaster,

Who: your support staff
What: had a consistent, automated step-by-step data recovery plan for each server?

2.
When: preparing for an audit or recovering from a failure or a disaster,

Who: your support staff
What: had a consistent, step-by-step disaster recovery plan for each department?

3.
When: managing your backup/ recovery operations for your various platforms

Who: you
What: could dramatically reduce the number of required skills and support costs because of a single storage management tool that handles all platforms?

Sales Aid Description
Sponsor Letter

Overview:

The Sponsor Letter is a letter sent by the seller which documents and confirms visions created by the seller ... with a potential "sponsor." The letter further confirms the buyer's intention to introduce the seller to "power."

Where/How used:

The Sponsor Letter contains six key elements from discussions with the sponsor summarized in

the words of the seller. They are: 1) business initiative/pain, 2) reasons, 3) buying vision, 4) agreement to explore, 5) access to power, 6) proof step. The proof step is what the seller offers in return for access to "power." The Sponsor Letter can be sent by mail, fax, or e-mail. It is typically used in step 3 of SSM.

What you should achieve:

As a result of sending the Sponsor Letter, several things should be accomplished. First, the Sponsor Letter provides a mutual understanding of what was discussed in prior meetings If the sponsor does not agree with the 6 elements of the letter, it is better to find that out sooner than later. Second, the sponsor is likely to perceive the seller as thorough and organized. Thirdly, you have provided the sponsor with a document to use as a basis of discussion with others ... including "power." Finally, the Sponsor Letter will confirm access to power. Once the proof step is completed, it is the Sponsor's responsibility to introduce the seller to "power."

Sponsor Letter

Mr. Steve Jones
Director of MIS
Private Company

Dear Steve,

Thank you for meeting with me earlier today. I believe it was time well spent for both Private Company and IBM Business Partner.

You confirmed that your primary critical issue is an inability to meet your customers' availability and response time requirements for e-business applications in a cost effective manner. You said the reasons for this issue were incompatible monitoring tools, departmental data management policies and an inability to measure real time e-business application performance.

You said if there were a way to ensure the currency and availability of data anywhere in the organization, that you would be able to meet the 24 hour, 7 day-a-week requirement for data. You also said that when deploying e-business applications, if you had a integrated process for monitoring real-time application performance, you would be able to provide the level of service required by your users. Finally, you said you would be able to meet your cost objectives if you were able to quickly and easily implement a solution that will provide you the data you need to effectively manage your limited resources.

You agreed to take a serious look at IBM Business Partner. You also said that if we succeed in proving to you that we can provide you with these capabilities that you would introduce us to Jim Smith, your Vice President of Marketing. You said his customer satisfaction goals are effected by the performance of your company's e-business applications and the availability of customer data.

I have arranged for you to visit with Sam Watkins, Director of MIS at ABC who has implemented an IBM Start Now Website Management solution with our help.

I am confident you will like what you see and help us introduce IBM Business Partner to the rest of the organization.

Sincerely,

IBM Salesperson

Sales Aid Description
Power Sponsor Letter

Overview:

The Power Sponsor Letter is similar to the Sponsor Letter, however it is sent to a potential Power Sponsor. It serves to document and confirm visions created by the seller however it proposes a series of steps (an evaluation plan) leading to the acquisition and implementation of an IBM solution.

Where/How used:

The Power Sponsor Letter contains six key elements ... from discussions with the Power Sponsor and summarized in the words of the seller. They are 1) Business Initiative/Pain, 2) Reasons, 3) Buying Vision, 4) Agreement to Explore, 5) Organizational Impact, and 6) an evaluation plan. The Power Sponsor Letter can be sent by mail, fax, or e-mail. It is used in step 4 of SSM to confirm the power sponsor's vision of a solution and to qualify the opportunity by defining the remaining steps in the sell cycle. The Power Sponsor Letter should not be sent to anyone but power.

What you should achieve:

As a result of sending the Power Sponsor Letter, two key things should be achieved. First, the Power Sponsor Letter provides confirmation of what was discussed in prior meetings (vision of a solution) and secondly, proposes a sequence of events/activities leading to the purchase and implementation of an IBM offering/solution.

Power Sponsor Letter

Mr. Jim Smith
Vice President of Marketing
Private Company

Dear Jim,

Thank you for meeting with me and Steve Jones. I believe it was time well spent for both Private Company and IBM Business Partner.

You confirmed that your primary critical issue is a decrease in revenue. You said this revenue decrease is primarily a result of decreasing customer satisfaction because of your inability to provide customers with the appropriate information before the sale and after the sale customers can't get support in a timely manner.

You said that if you had a way to provide customers with current product data you could increase sales. If you also had a way to quickly and easily provide customers with data to support them after their purchases, you could increase customer satisfaction. Finally, you mentioned the positive impact this would have toward your company's profitability.

I am confident that IBM Business Partner can give you these capabilities and I am pleased that you are also interested in exploring our ability to provide these capabilities to Private Company.

Based on my knowledge to date, I would like to propose an evaluation plan for your further exploration of IBM Business Partner. Look it over with Steve and I will call you on Friday to get your thoughts.

Sincerely,

IBM Business Partner Salesperson

Attachment

cc: Steve Jones, Private Manufacturing Company

Sales Aid Description
Evaluation Plan

Overview:

The Evaluation Plan is a mutually agreed to sequence of events leading to a buying decision. The components of the plan include both customer and IBM desired activities, included are time frames, go/no go decision points and as well as any billable activities which would be prerequisite to a buying decision.

Where/How Used:

A "draft" Evaluation Plan is created as an attachment to the Power Sponsor Letter and as such is used in step 4, "Articulate IBM Capabilities and Qualify the Opportunity." The draft Evaluation Plan is intended to be modified by the customer and eventually become a mutually agreed upon plan of activities leading to a buying decision. To be effective, the plan must be mutually "owned."

What you should achieve:

Client involvement and joint ownership of the evaluation process is a major step in qualification of an opportunity. Through the use of this aid a seller can shorten the selling cycle, identify and reserve resources for use in the sell cycle, and better predict when the opportunity will close.

Evaluation Plan: Private Company SMB [DRAFT]

IBM SSM

Event	Week of	√	Go / No Go	Billable
Interview (Director of Sales)	March 7			
Interview (Director of Marketing)	March 7			
Interview (Director of Customer Service)	March 7			
Interview (Dir. of Manufacturing)	March 7			
Review Preliminary Solution with Bill Wood (Operations/Finance Manager)	March 14			
Present Preliminary Solution and (refined) Value Statement to Bill Wood and review Conditions of Satisfaction	March 21		*	
Develop Solution Blueprint	March 28		*	**
Executive briefing including a review of the investment case, Conditions of Satisfaction and define the benefit measurements	April 15		*	
Finalize and agree to solution	April 22		*	
Review proposal rough draft	April 29		*	
Review proposal for approval	May 6		*	
Implementation kickoff	May 13			
Measure benefits & review Conditions of Satisfaction	Ongoing			

As you will notice, we will stop and mutually decide to proceed six times (at each *) in this proposed Evaluation Plan. Again, this is my first try, I will call you to discuss it further.

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Sales Aid Description
Integrated Solution Concept ((ISC))) / Preliminary Solution

Overview:

The ISC is a model designed to highlight IBM's ability to offer "total solutions" and directly support cross-matrix selling within Team IBM. The ISC organizes total solution components into four categories: Application (Functionality), Systems and Network, Systems Management, and Consulting and Services. It emphasizes IBM's "total solution" capabilities.

Where/How Used:

The ISC is used typically during Step 4 of the SSM process, "Articulate IBM capabilities and qualify

the opportunity." As stated above, the sales aid organizes information into four key areas of a total

solution. After confirmation of the information, a Seller uses a "bridging" technique to craft the Preliminary Solution. This sales aid lists specific products in the four categories and defines the ranges of potential value, investment and time frame.

What you should achieve:

Construction of a preliminary solution using the ISC typically expands the client's perception of the solution and strongly positions IBM as a total solution provider. It can serve to differentiate IBM from competitors who only offer solution components.

- **ISC - Integrated Solution Concept(Website Management Solution) - Private Company, SMB**

AIX Solution

Application *Functionality*	Systems & Network *Vehicle to deliver the functionality*	Systems Management/Tools *Management of the vehicle*

	• (2) RS/6000 server model B50 or higher
	  – 256 MB Memory
	  – AIX 4.3.2
	• JDK 1.1.8.7 or higher in the series 1
		• Start Now Website Management
		  – TIvoli Storage Manager
		  – Tivoli Web Services Manager
		  – IBM DB2 UDB

Consulting and Services
Skills, Knowledge and Experience

- **Consulting - 8 hours**
- **Implementation - 24 hours**
- **Customization - 10 hours**
- **Testing and user training - 25 hours**

Potential Value	Investment Range	Time Frame
$200k- $500K Annually	**$77K- $85K**	**2-3 months**

- **ISC - Integrated Solution Concept(Website Management Solution) - Private Company, SMB**

NT Solution

Application *Functionality*	Systems & Network *Vehicle to deliver the functionality*	Systems Management/Tools *Management of the vehicle*

	• (2) Pentium III 600Mhz or higher
	   – Windows NT 4.0 SP or higher
		• Start Now Website Management
		   – TIvoli Storage Manager
		   – Tivoli Web Services Manager
		   – IBM DB2 UDB

Consulting and Services
Skills, Knowledge and Experience

- **Consulting - 8 hours**
- **Implementation - 24 hours**
- **Customization - 10 hours**
- **Testing and user training - 25 hours**

Potential Value	Investment Range	Time Frame
$200k- $500K Annually	**$45K- $63K**	**2-3 months**

Sales Aid Description
Refined Value Statement

Overview:

A statement which projects, from the buyer's perspective, a range of potential benefits (value) of implementation of a specific capability or solution provided by the IBM Business Partner, as well as an initial estimate of the costs of that solution, also within a range.

Where/How used:

Value quantification is obtained during the vision creation/reengineering process, using drill-down questioning. By combining this information with the seller's initial estimate of implementation costs, the Refined Value Statement can be created. It is typically used in Step 5 of SSM, Develop the Solution with the Customer. It is the second step in the Value Continuum, refining the original Value Statement and ultimately leading to the Value Proposition/ROI.

What you should achieve:

The customer should begin to take ownership of the value of the proposed solution. The Refined Value Statement can help to further qualify the opportunity and determine whether the seller is, in fact, at power.

Refined Value Statement - Website Management

- "Private Company believes they should be able to improve profitability by:
  - **Reducing e-business infrastructure costs**
  - **Increasing customer satisfaction and revenue**
- Valued between $200K and $500K annually through the ability to:
  - **Manage HW, SW and Services costs while increasing website availability and performance**
- Using an IBM Business Partner Infrastructure Solution for an investment of $45,00 to $85,000

Sales Aid Description
Value Proposition

Overview:

The Value Proposition is a financial projection of the proposed solution intended to provide the compelling reason (value) for the buyer to move forward with IBM. The Value Proposition projects the ROI, based on the client's benefit projections (both revenue and expense) as well as the solution costs ... i.e. all costs required to implement the solution.

Where/How used:

Benefit information is typically obtained during the vision   creation/reengineering process ... specifically through the drill down questioning. By combining this information with the total costs of implementation, an ROI can be calculated (Step 5 in SSM). The Value Proposition will often serve as the culmination of a seller's 3-step employment of value ...starting with a Value Statement ... followed by a Refined Value Statement .... and ending in the Value Proposition.

What you should achieve:

The Value Proposition should provide the compelling reason (value) for the client to make an investment with IBM . Knowledge of the value and ROI is typically the seller's best weapon to fend the client's pressure to discount.

Value Proposition:
What Will Be Measured and Who is Responsible?

- *INCREASED SALES*

  - Increased sales volumes due to availability of sales data - *(Sarah Updown - VP Sales and Marketing)*

  - Increased sales volumes due increased customer satisfaction - *(Sarah Updown - VP Sales and Marketing)*

- *REDUCED COSTS*

  - Redistribution of IT resources (HW, SW, Labor and Services)   - *(Jose Makit - MIS Director)*

Value Proposition:
What Investment Will Be Required?

- *HARDWARE*

  - RS/6000 Servers or NT Servers

- *SOFTWARE*

  - Tivoli Storage Manager

  - Tivoli Web Services Manager

  - DB2

- *SERVICES*

  - Consulting services

  - I/T architectural services

  - Systems Integration

  - Installation and training

Value Proposition: (Website Management - AIX)
When Will This Investment Pay for Itself?

BENEFITS	1Qtr	2Qtr	3Qtr	4Qtr	TOTAL
Increased Revenue					
- Web sales increase		50,000	75,000	100,000	225,000
Avoided Labor cost					
- 1 man/year		10,000	10,000	10,000	30,000
Avoided systems costs					
- New purchases avoided		15,000	10,000	5,000	30,000
- Write off charges avoided				5,000	5,000
TOTAL QUARTERLY BENEFIT	0	75,000	95,000	120,000	290,000
CUMULATIVE BENEFIT	0	75,000	170,000	290,000	
COSTS					
Hardware	10,400				10,400
Software	61,000				61,000
Services	12,000				6,000
Maintenance & support					
TOTAL QUARTERLY COSTS	83,400				77,400
CUMULATIVE COSTS	83,400	83,400	83,400	83,400	
NET BENEFITS	(83,400)	75,000	95,000	120,000	
NET CUMULATIVE BENEFITS	(83,400)	(8,400)	86,600	206,000	

Note: Assuming 40% gp

Net return	**$206,600**
Gross ROI	**247%**
Break-even	**3nd Quarter**

Sales Aid Description
Measure Benefits

Overview:

This Sales Aid serves as a tracking device to ensure that the client's expected benefits are realized. The elements tracked should be those found in the Value Proposition and the tracking should be across the same time frames as employed in the Value Proposition. Use of this sales aid sends a powerful message to the client that IBM is interested in the client's realizing the expected benefits...not just making the sale.

Where/How used:

The information tracked will help ensure that the value anticipated is realized. Using the sales aid will identify implementation challenges and help the seller intervene with appropriate corrective

action if required.   The tracked information can be used to take advantage of new selling opportunities with this client as well as serve as reference information for other account opportunities.

What you should achieve:

The seller should achieve significant levels of client satisfaction, additional selling opportunities with this client, and a bevy of reference stories to employ in other selling situations.

•Measure Benefits: Example

	Base	Q1	Q2	Q3	Q4	Y1
Revenue / Employee						
Net Satisfaction Index						
Customer Inquiry Response Time						
Lead / Close Ratio						
SLAs						
Data Availability						
*Measurable for Infrastructure						
SHORT TERM ACTIVITY RECOMMENDED						

IBM SSM: *Sales Aids to help achieve verifiable outcomes*

CUSTOMER BUYING STEPS

Evaluate Business Environment	Develop Business Strategy and Initiatives	Recognize Needs	Evaluate Options	Select Solution Option	Resolve Concerns and Decide	Implement Solution and Evaluate Success

SIGNATURE SELLING METHOD (SSM) STEPS

Understand the Customer's Business and IT Environment	Develop Plans Linked to Customer Business Initiatives	Establish the Buying Vision with the Customer	Articulate IBM Capabilities and Qualify the Opportunity	Develop Solution with Customer	Close Sale	Monitor Solution Implementation & Ensure Expectations are Met

SELL CYCLE CODES

Identify	Validate	Qualify	Propose	Won

SSM SALES AIDS

▪Business Initiatives	▪Pain Chain ▪Key Players List ▪Business Development Prompter ▪Reference Story ▪Value Statement	▪Pain Sheet ▪Sponsor Letter	▪Pain Sheet ▪Power Sponsor Letter ▪Evaluation Plan	▪Integrated Solution Concept ▪Refined Value Statement ▪Preliminary Solution ▪Value Proposition	▪Pain Chain ▪Value Proposition	▪Measure Benefits

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SSM benefits the customer, IBM and you

Customers see Team IBM:

ƒ Aligning with them

ƒ Planning before executing

ƒ Delivering business value

ƒ Selling total solutions

Which results in you and Team IBM seeing:

ƒ *Speed* in the sales cycle by spending time with the right customer on the right issues

ƒ *Speed* to engage/disengage with the right resources

ƒ Higher *quality* and more *volume* in the pipeline

ƒ *Higher win rate* due to added differentiation and broader value proposition